

Message Text

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ACTION EB-08

INFO OCT-01 AF-10 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01
CIAE-00 COME-00 DODE-00 FPC-01 H-01 INR-07 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-06 OES-07
SP-02 SS-15 STR-04 TRSE-00 ACDA-07 /100 W
-----027522 240517Z /12

R 231449Z AUG 77
FM AMEMBASSY ADDIS ABABA
TO SECSTATE WASHDC 5355
INFO AMEMBASSY DJIBOUTI
AMEMBASSY MOGADISCIO
AMEMBASSY NAIROBI
AMEMBASSY KHARTOUM

C O N F I D E N T I A L ADDIS ABABA 5088

E.O. 11652: GDS
TAGS: ENGR ET
SUBJECT: ADDITIONAL DEMANDS ON DISTRIBUTION SYSTEM ACCENTUATES
FUEL SHORTAGE

REF ADDIS ABABA 4671 (NOTAL)

1. SUMMARY. INTENSIFIED MILITARY ACTION, A CONTINUING
SHORTAGE OF PETROLEUM TRANSPORTS, AND UNFORESEEN ACCI-
DENTS HAVE FURTHER DISRUPTED PMAC'S PETROLEUM RATIONING
AND DISTRIBUTION PROGRAM. IN ADDIS, NO GASOLINE HAS
BEEN ALLOTTED TO POV'S SINCE AUGUST 14. SITUATION APT
TO GET WORSE BEFORE IT GETS BETTER. END SUMMARY.

2. ACCORDING TO INFORMED BUSINESS SOURCES, THE SHORTAGE
OF GASOLINE IN CRITICAL AREAS IN ETHIOPIA HAS BECOME
MORE ACUTE IN RECENT WEEKS DUE TO THE INCREASED LEVEL
OF MILITARY OPERATIONS. THE PROBLEM CONTINUES TO BE
ONE OF DISTRIBUTION, NOT SUPPLY. THESE SOURCES CLAIM
THERE ARE PRESENTLY APPROXIMATELY 380 GASOLINE ROAD
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TRANSPORTS IN ETHIOPIA, 10 PERCENT OF WHICH ARE UN-
SERVICEABLE AT ANY ONE TIME. THIS SMALL FLEET WOULD
HAVE DIFFICULTY IN COPING WITH NORMAL DEMANDS; IT IS
COMPLETELY INCAPABLE OF MEETING WARTIME DEMANDS.

3. IN CONTRAST TO THE PRESENT INADEQUACY OF THE DIS-
TRIBUTION SYSTEM, PRODUCTION AT THE ASSAB REFINERY IS

BELIEVED TO BE SUFFICIENT TO MEET FULLY EVEN THE WAR-TIME REQUIREMENTS OF ETHIOPIA -- EXCEPT FOR JET A FUEL, WHICH IS IMPORTED FOR THE USE OF FOREIGN INTERNATIONAL AIRLINES. BECAUSE OF THE DISTRIBUTION BOTTLE-NECK, STORAGE FACILITIES AT ASSAB ARE OVERFLOWING. SOME TWO WEEKS AGO A LARGE QUANTITY OF MOGAS WAS SHIPPED FROM ASSAB TO STORAGE TANKS IN MASSAWA IN ORDER TO MAKE ROOM IN ASSAB FOR INCREASED STORES OF HIGHER PRIORITY JET B AND AVGAS. SUPPLIES OF JET A FUEL, WHICH MUST BE IMPORTED AS A FINISHED PRODUCT, ARE ALSO ADEQUATE, THE MOST RECENT SHIPMENT HAVING ARRIVED IN ASSAB ON SCHEDULE ABOUT A WEEK AGO. DUE TO LACK OF DISCHARGE FACILITIES IN ASSAB FOR GP TANKERS, JET A NORMALLY IS TRANSHIPPED BY A SMALL (15,000 DWT) COASTAL TANKER FROM DJIBOUTI TO ASSAB. RECENT REPORTS INDICATE THERE MAY BE CONSIDERABLE PRESSURE ON DJIBOUTI TO HALT THIS FLOW OF JET A AND WE WOULD APPRECIATE EMBASSY DJIBOUTI'S COMMENTS ON THIS POINT. EVEN SHOULD IT DO SO, THERE WOULD BE LITTLE OR NO EFFECT ON ETHIOPIA'S MILITARY CAPABILITY.

4. FURTHER COMPLICATING PMAC'S ATTEMPTS TO ESTABLISH A RATIONING AND DISTRIBUTION PROGRAM WHICH WOULD MEET THE COUNTRY'S MOST CRYING FUEL NEEDS WERE TWO UNFORESEEN EVENTS WHICH REPORTEDLY OCCURRED WITHIN THE PAST TWO WEEKS. ONE WAS THE NEED FOR THE ASSAB REFINERY TO CONFIDENTIAL

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REPROCESS AN UNKNOWN BUT SUBSTANTIAL QUANTITY OF JET B FUEL WHICH FAILED TO MEET MINIMUM SPECIFICATIONS. THE SECOND WAS THE DELAY OF A TANKER CARRYING SAUDI CRUDE TO BE PROCESSED AT ASSAB; IT WENT AGROUND AND HAD TO BE OFFLOADED ONTO THE SMALL COASTAL TANKER OWNED BY ETHIOPIAN SHIPPING LINE (ESL). NOT ONLY DID THIS MISHAP TEMPORARILY INTERRUPT PRODUCTION AT ASSAB, ESL'S SMALL TANKER NOW WILL NEED TO HAVE ITS TANKS CLEANED BEFORE IT CAN RESUME CARRYING JET A-1 ON ITS REGULAR RUN FROM DJIBOUTI TO ASSAB.

5. INCREASED DEMANDS OF THE MILITARY, MORE SPECIFICALLY THE AIR FORCE, ON THE ALREADY INADEQUATE DISTRIBUTION SYSTEM HAS HAD ITS EFFECT ON ADDIS. THE AUGUST 14 LIST OF AUTHORIZED GAS CONSUMERS ISSUED BY THE RATIONING COMMITTEE OF THE MINISTRY OF COMMERCE AND TOURISM DID NOT INCLUDE PRIVATE VEHICLES, NOR IS THERE ANY ASSURANCE THAT THE NEXT SCHEDULED LIST OF AUGUST 27 WILL REINSTATE THEM. TAXIS, BUSES, SERVICE VEHICLES, DIPLOMATS, AND SOME BUSINESS FIRMS CONTINUE TO RECEIVE GAS AND FUEL OIL ON A RATIONED BASIS. EVEN SO, A NUMBER OF FIRMS ARE FINDING IT IMPRACTICAL TO

TRY TO CONTINUE OPERATING WITH LESS THAN ADEQUATE FUEL SUPPLIES. THEY MAY FIND IT EVEN MORE IMPRACTICAL IF KEY EMPLOYEES ARE UNABLE TO OBTAIN TRANSPORTATION FROM HOME TO THE JOB.

6. KNOWLEDGEABLE BUSINESS SOURCES SAY PMAC'S DISTRIBUTION PROBLEM COULD BE OVERCOME IF ANOTHER 150 TRANSPORT TANKERS WERE ADDED TO THE PRESENT FLEET. ALLEGEDLY PMAC TOOK THE NECESSARY MEASURES TO DO THIS OVER A MONTH AGO, ORDERING SOME 200 ROAD TRANSPORTS (POSSIBLY FROM ITALY) TO MEET ITS NEEDS. WHETHER OR NOT THESE TRANSPORTS ARE EN ROUTE, OR EVEN HAVE BEEN ORDERED, HAS COME INTO SOME DOUBT WITHIN THE PAST WEEK. DURING THIS PERIOD, THE LOCAL REPRESENTATIVES OF SEVERAL CONFIDENTIAL

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INTERNATIONAL OIL FIRMS WERE ASKED IF THEY WOULD BRING IN SOME ADDITIONAL TANKERS (A REQUEST THEY RECEIVED WITH LESS THAN ENTHUSIASM). THE PMAC ALSO ALLEGEDLY PURCHASED FROM KENYA SOME FORTY OLD ROAD TRANSPORTS WHICH ARE BEING RECONDITIONED BEFORE BEING IMPORTED INTO THE COUNTRY. IF TRUE, ACTIONS CREATE SOME DOUBT THAT THE RUMORED 200 TRANSPORTS ARE EXPECTED ANY TIME SOON. ALL IN ALL, THE SITUATION IS APT TO GET WORSE BEFORE IT GETS BETTER.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUPPLIES, PETROLEUM
Control Number: n/a
Copy: SINGLE
Sent Date: 23-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977ADDIS05088
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770305-0295
Format: TEL
From: ADDIS ABABA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770835/aaaabdfn.tel
Line Count: 146
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 450b6956-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 ADDIS ABABA 4671
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 01-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1522607
Secure: OPEN
Status: NATIVE
Subject: ADDITIONAL DEMANDS ON DISTRIBUTION SYSTEM ACCENTUATES FUEL SHORTAGE
TAGS: ENRG, ET
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/450b6956-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009